proportion, of course, is not so high when we try to calculate actual war revenue and war expenditure by deducting on each side at a rate of £200 millions a year as representing normal expenditure and revenue and leaving out advances to Allies and Dominions. On this basis the proportion of war expenditure met out of war revenue up to March 31, 1918, was, the Chancellor stated, 217 per cent. For the year 1917-18 it was 25*3 per cent., for the current year it will be 26*5 per cent., and for the whole period up to the end of the current year 23*3 per cent. The corresponding figures for the Napoleonic and Crimean wars are given by Sir Bernard Mallet in his book on British Budgets as 47 per cent, and 47*4 per cent. So that it will be seen that, judged by this test, our war finance, though very much better than Germany's, is not on so high a standard as that set by previous wars. It is true, of course, that the rate of expenditure during the present war has been on a scale which altogether dwarfs the outgoing in any previous struggle. The Napoleonic War is calculated to have cost some £800 millions, having lasted some twenty-three years. Last year we spent £2696 millions, of which near £2000 millions may be taken as war cost, after deducting normal expenditure and loans to Allies.

Nevertheless, this argument of the enormous cost

of the present war does not seem to me to be a good reason why the war should be financed badly, but rather a reason for making every possible effort to finance it well. Are we doing so ? At first sight it is a great achievement to have increased our total